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MEMCRANDIN FOR: Director of Central Intelligence

7 May 1954

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: Position Paper on Phancens

I. Appreciation of the Situation

A. Conclusions of the Board of Mational Estimates

The following estimate of the situation in Guatemala and edjoining countries is taken from a special estimate prepared during the past week by the Board of Mational Estimates. General Bull headed the Special Panel and the views of State (OIR) and the service intelligence agencies were solicited in the preparation of the estimate. The terms of reference of the estimating panel included the following questions:

What is the present strength of the Communists in Guatemala?

What are the current strengths and attitudes of Honduras, Micaragua and Salvador and what are the effects upon them of a continued march of Communism in Gustemals?

On whose side is time?

The conclusions of the Board of Bational Estimates as of 22 April 1954 are as follows:

"1. We consider that the conclusions of HIE-84 remain essentially valid. In particular, we reaffirm the first conclusion, as follows:

"The current political situation in Guatemala is adverse to US interests. The Guatemalan Communists exercise a political influence far out of proportion to their small numerical strength. Their influence will probably continue to grow as long as President Arbens remains in power.

- "2. The Communists now effectively control the political life of Gustemala. Arbens' decisions on domestic and foreign policy are reached, not in the official cabinet, but in a kitchen cabinet composed of Communists and pro-Communists. There is no prospect of a break between Arbens and the Communists.
- "3. There has probably been an increase in popular disillusionment with the Arbens regime. There is certainly increased desperation among opposition elements. In present circumstances, however, the possibility of effective internal political action to alter the situation does not exist. We believe that effective revolutionary action would require the active support of a major portion of the Army.



- "h. The disposition of the Army toward the regime is therefore crucial. We note indications of unrest, even of disaffection, within the Army and consider that a revolutionary potential now exists there. We do not believe, however, that the Guatemalan Army is likely to take spontaneous action against the Arbenz regime.
- "5. The Communists will be concerned to neutralize the revolutionary potential in the Army, and, with the passage of time, may succeed in doing so.
- "6. The solidarity of the other Central American states in opposition to Guatemala has weakened during the past year and may further decrease.
- "7. In view of the foregoing considerations, we believe that time is on the side of the Communists in Guatemals."

B. Assets Available to PREUCCERS

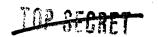
1. Inside the Country

a. General

Before listing specific assets, the population of Gustemala should be mentioned as a strong, potential asset. Predominantly anti-Communist the people, once aroused from their normal political inertia, could play a powerful role against the Arbens regime. Increasing government repression and Communist brutality are having their effect evidenced in numerous instances of popular unrest throughout the country. A few typical examples taken at radom are the signature of an anti-Communist petition by 50 people in Communist Recuintla; a new vigorously anti-Communist newspaper in Chiquinnia; large pockets of swarred anti-Communists at numerous points in the Masstenango area; public meetings attended by several hundred people at Puerte Barrios; and the denial to the Communists of the local labor organization at Quesaltenango.

Though only tied together informally at present, considerable focus has been given to the large Cathelic group by the extremely effective pastoral letter of April & issued by the Archbishop of Guatemala urging all Cathelics to combat Communica. This letter, can, and it is perseven will, have continuing effect if its message is continuously replayed.

Additional unity of purpose is provided by the psychological assets available in Gustemals as well as the encouragement generated by the vague but growing recognition that "something is in the sir" -- a well-backed movement is around the corner. Calligeris' announced leadership and well-received political manifesto of late February have contributed to this. It has also been a consequence of the paramilitary program, not presently military and formidable, but psychologically persuasive. A consciousness of the stick behind the carrot is considered a prerequisite to creating any effective opposition in Gustemals, Communist-dominated as it is today.



b. Psychological

Psychological assets include many newspapers and radio stations, not controlled or influenced by CIA, which are still independent. "El Espectador", for example, is strongly anti-Communist. So is Clemente Marroquin Rojas, the most influential journalist in Guatemala City. Admittedly these independents must move with caution and their days of independence may well be numbered but for the moment they survive. The utility of the radio stations has been markedly reduced by an evert government conscrebip which has recently been imposed.

A controlled group in Guatemala City publishes a weekly, "El Rebelde", directs poster and leaflet teams, a telephone provocation team, "goon" squads and runs intermittent radio broadcasts. It also operates a political organisation consisting of a coalition of numerous political groups known as the National Anti-Communist Front (FAH), which provides coverage of the entire country. This is supplemented by a special group, "Inspectors", who periodically traval throughout the country contacting numerous agents.

Several other small anti-Communist publications in various parts of Guatemala receive financial aid and guidance.

c. Military and Paramilitary

As stated above the Board of National Estimates concludes that a revolutionary potential exists in the Guatemalan Army. Specific data may be adduced to confirm this estimate. There is evidence of considerable disaffection and dissatisfaction especially in the upper echelons. The Minister of Bational Defense, Jose Angel Sanchez, is opposed to Communist control over Arbens and there is evidence the reliability of which has not yet been established that he is seeking to strengthen the Army in preparation for its use against the Communists. The Chief of the Armed Forces, Colonel Carlos Enirque Bias, may be defectable. The Chief of Staff, Colonel Enirque Parinello De Leon, the Chief of the Air Force, Colonel Luis A. Giron, and the Minister Without Portfolio, Colonel Elfego Monson are all reported as disaffected.

In furtherance of the objective to defect the Army, two distinct operations are in progress; the JUHTA, through its military contacts and an independent effort by CIA targeted at key personnel. The JUHTA leadership, being primarily composed of Guatemalan Army officers in exile, has achieved certain success to date. The leaders of this organizational effort have been examined by polygraph and cleared as to the validity of their statements. The independent effort has just been completed by a case officer in the field following sixty days of intensive study of the more promising targets of importance. His report is not yet available. A third related effort to be made within the next few days is an attempt at the defection of Colonel Dias.

In addition, a military organization of younger officers positively pledged to Calligeris is in existence. They have been organized and contacted by Calligaria' military representative in Guatemala. The Calligeris organization presently has four trusted military leaders in the four sectors of Quatemala City and a leader in each of the mine target garrisons. These leaders estimate that, on D-Day, they can capture from within all the garrisons except Quiche and San Jose, where added efforts to propare capitulation are in progress.

At best, the apparently "safe" garrisons will be taken without firing a shot. Where this does not work, correct disposition of friendly elements plus the demial of vespons and ammunition to enemy forces should quell opposition. If necessary, civilian paramilitary units will step in to provide overwhelming force.

As regards this civilian paramilitary organization, substantial numbers of mon in each of the nine garrison areas in Guatemala are already pledged. The number of men available in each garrison area are listed below. Three columns are given to show the various estimates, ranging from the most conservative to the optimistic. Column I figures cannot, of course, be guaranteed but are the result of checking Calligerie' figures with individual leaders who have been exfiltrated from Guatemala. These figures have been sufficiently confirmed by questioning, where possible, that it is the belief of the LINCOLN staff that they are accurate. Mereover, in no instance has questioning shown initial estimates to be serious erroneous.

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in the second se	Total Positive Pledges	Total Which There is Reason to Believe Exist in Area & Are Anti-Govt to Point of Taking Action	Calligeris Claimed Support. Presently Unconfirmed but not Disproved
Guatemala City	1725	1225	9125
Coban	920	1750	4850
Queraltenango	415	1915	8490
Mazatenango	195	2095	4000
Quiche	187	1887	4000
Puerto Barrios	471	67i	1485
Jutiapa	660	2060	6000
Zecapa	565	1175	1200
San Jose	4	250	150
TOTAL terget garrison wichwith	51A2	15,928	39,300
TOTAL target	514र्वे		39,300

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In addition to the foregoing civilians available in the garrison areas, four other civilian organizations in important tactical areas, ringing Guatemala City, are envisaged. Strength figures in these areas computed in the same manner as foregoing are as follows:

Area I Area II Area III	70 350	11 70 1300	111 70 3520
Area IV Total Tactical Outer Org.	150 570	1350 2720	9420 13,010

The entire complex of friendly military and paramilitary assets will be firmly erganized, finally trained and led on D-Day, by the paramilitary assets developed and existing outside Guatemala. These assets are discussed under 2c below.

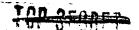
d. Intelligence

Intelligence from within Quatemala is provided mainly by the JUNIA Intelligence Service located in Honduras and discussed in the next section below. In addition the Quatemala City Station is providing good intelligence on political and psychological subjects as well as from sources on the Government, Army and Communist Party. In addition intelligence is provided by the propaganda organizations mentioned above as well as by the State Department and the service attaches.

2. Outside the Country

a. General

One of the major assets of the GROUP outside of Guatemala is the backing provided by other countries.



b. Psychologica.

In addition to independent media, the following controlled external PW assets are available:

Publications and Radio

Boletin del Ceuage 5000 copies (3000 smuggled

into Guatemala)

Published weekly in Honduras by controlled anti-Communist group of Guatemalan exiles.

Radio Programs

Honduras

Same group.

Leaflets and Bulletins

Honduras (smuggled into Guatemala)

Same group.

El Combate

5000 copies (3000 smuggled

into Guatemala)

Published weekly in Salvador by anti-Communist front group (FAGE).

Radio Broadcasts (Cristal YSY)

Reaches about 50 miles beyond Guatemalan border

Same group.

Pronto

Newspaper, just begun Distribution in Gustemala being developed, if possible Published in Mexico by anti-Communist Guatemalan group (FEGAM).

Bulletin for the Liberation of Guatemala

Hewspaper, Anti-JUHTA but also anti-Communist

Published in Mexico (a few reached Guatemala) by Comm. for the Liberation of Guatemala (LIONIZER).

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A principal, if not the principal, psychological asset is a clandestine radio station in Niceragus which first went on the air May lat. Broadcast tapes are prepared at LIECOLN. The station is beamed at Guatemala and is purportedly broadcasting from within the country! Reception has been good and it has begun to arouse considerable public comment. This radio will also provide the radio support needed immediately prior to the uprising unless it is inoperative or its use is undesirable in which case a contingency station fully under our control will be used. Preparations for this installation are substantially completed.

A writing staff of Guatemalans has been installed in safe houses near LINCOLN to provide the support needed for the above essets as well as preparing additional propaganda material for field distribution. A reporting system has been devised for psychological purposes which is providing substantial raw material for the writers. This is supplemented by hourly FBIS service and the receipt within 18 hours of publication of daily newspapers from Guatemala, Costa Rica, Nicaragua, Mexico, Salvador and Honduras.

To buttress the effects of the Caracas anti-Communist resolution two conferences in Mexico City have been arranged. The first, opening on May 1st, was sponsored by the "Latin American Laborers in Exile" largely under the suspices of CRIT. Though not directly targeted at Guatemala, it was quite successful. For the first time a reputable Latin American Labor group publicly took a position critical of and in opposition to the Arbens regime. The second to be convened 27-30 May will be called the "Congress Against Soviet Intervention in Latin America". It will be attended by many prominent anti-Communists from every country in Latin America and will have as its main object the focusing of the attention of Latin Americans on the Communist situation in Guatemala thereby constituting a call for all anti-Communists to aid in the struggle.

c. Paramilitary

In the paramilitary field Calligeris is, of course, the leaders and has with him an Executive, a senior Colonel, plus four ex-officer personnel as a steff. In addition there are 67 trainee graduates of one of our schools; 9 radio operators and crypto clerks in training plus 5 more on the way, who are already experienced. Recently about 40 more men arrived from Guatemala as sub-unit leaders or special task personnel while some 212 men with varying degrees of experience and different capabilities are available on a stand-by basis and will provide the nucleus for various shock forces. Adequate provisions has been made for logistical support.



d. Intelligence

within Quatemalan target areas to provide W/T communications for

intelligence and EEI's.

C. Security

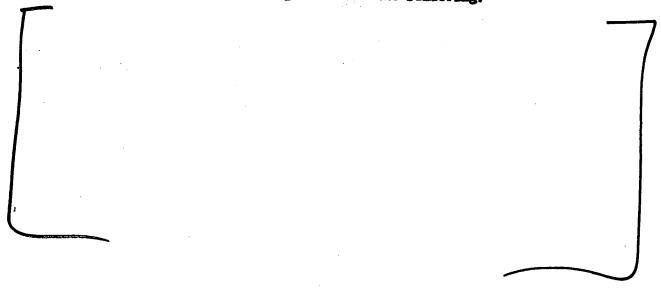
Ever since the work was first started on the preparation of a plan for PREUCOSES it has been fully recognized that the U.S. would be accused of being the main appears of most if not all activities directed against the Arbens regime. (Written statements to this effect were included in the report on Stage 1 written in Becember 1953, in a paper written in March 1954 and presented to the Secretary of State sod there have been numerous other trail reports to the same effect.) Moreover it was assumed that in an operation of this scope same evidence supporting the accusations would unavoidably become available to both griends and enemies. Nevertheless, it was concluded that the chances of preventing the discovery of irrefutable evidence were good enough so that the advantages of the project outweighed the risks and its undertaking was justified.

A careful review of all developments to date having a bearing on security indicates that this judgment was accurate and that security has been as well maintained on this project as was, or as could reasonably be, expected. The following specific developments may be mentioned in support of this conclusion:

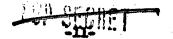
- c. Any approach to be made [] I Salvador in search of support for Callisaris will be made either by the C on [] or by an American private citizen oftensibly affiliated with the Salvador up of private backers in the United States. No black flights of military supplies will be made to Salvador unless and until [] permission has been obtained in this manner. No approach to him or to may to his officials has been or will be made by any U.S. Government official.
- e. A number of penetrations of Calligaris' organization have been uncovered. It must be assumed that they have yielded information to the effect that there are Americans, estensibly representing a group of private citizens, who are interested in the project and that military supplies have been moved into Ricaragus on black flights, together with some information concerning Calligaris' organization and the general nature of his plans. There is no reason to believe, however, that any evidence of U.S. Governmental backing could have been obtained from this source with the exception noted in the following paragraph.
- f. One comprenising incident makes it necessary to qualify sub-paragraphs b. and e. above. In January 1954 transcripts of a number of cables were stolen from the hotel room of a CIA agent in Managum. Although they were later recovered intact, they may have been seen either by _____] or by a member of Calligeris' staff later discovered to be in all probability an agent of Arbenz. They may also have been photostated by any interested party who saw them.

The operational plan contemplates the use of no American personnel whatever, in any capacity, within Guatemala. Communications with the various individuals and groups that take part in the operation will be with Calligeris' forward base which will be in Honduran territory and will be handled within the target area entirely by indigenous communications personnel. In the course of the actual uprising there will be no contact between Calligeris' forces and the CIA station in Guatemala. It is presently planned that if any flights over Guatemalan territory are made, Venezuelan, Hicaraguan, or privately recruited pilots will be used who will have no connections, overt or covert, with the U. S. Government, but will be recruited by Calligeris'independently.

Further to minimize the likelihood of convincing attribution to the U.S., a number of actions are being taken the effect of which should be to indicate that support has been forthcoming from a number of other quarters and thus to dilute and confuse the impression of major U.S. Government support in the minds of both friends and enemies. Among these are the following:



- c. A plane now in the possession of the Hicaraguan Government will probably be purchased from C. I and he may be asked for the loan either of additional planes, or of Hicaraguan crews, or both.
- d. Calligaris of I I will be asked for a letter to be used by the cetensible private U.S. group to solicit additional funds from a sizeable list of Americans of known anti-Communist views and having considerable private resources. This approach is intended to infuse reality into the cover story of an American private group. Some of the correspondence involved in this attempt may be delibertly "leaked".
- e. There is at least one entirely separate refugee revolutionary group (headed by Erratic) with which CIA is in contact and there may be a third internal revolutionary group, both of them making active plans for the overthrow of the regime without U.S. support. The deception opportunities inherent in this situation are being exploited as effectively as possible.



Such as it is, the most persuasive indication of U.S. Government support for this operation is that available in the forms listed above to Calligaris and his immediate associates

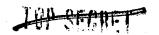
Junder present circumstances ail three of these groups are directly and neavily dependent upon the friendship and support of the United States are likely to remain so under any foreseeable circumstances except perhaps that of a successful revolution in either country. Calligaris will remain so unless he feels that U.S. support has been withdrawn without prospect of renewal. Beyond these three groups the present Guatemalan regime has better grounds than anyone else for suspecting U.S. support. Such indications as they possess they will undoubtedly exploit whether PREUCCESS is continued or called off. Their ability to present and support a case against the U.S. would, however, be gravely impaired if the regime were overthrown, its records captured and its leaders scattered.

This review of circumstances and developments bearing on the security of the operation and of possible countermeasures to forestall persuasive attribution to the U.S. justifies the following conclusions:

- a. Although a number of individuals in both the Hicaraguan and Honduran Governments are undoubtedly personally convinced that the U.S. is sponsoring this operation and although the Guatemalan regime may and probably does have evidence to this effect, pleusible denial by the U.S. in response to any charges could still be sustained. This would be especially true if the Guatemalan regime had been effectively overthrown and its leaders scattered.
- b. There is not the slightest doubt that if the operation is carried through many Latin Americans will see in it the hand of the U.S. But it is equally true that they would see the hand of the U.S. in any uprising whether or not sponsored by the U.S., particularly since the U.S. has made it clear in many overt ways that it heartily disapproves of the Arbenz regime. In short it might be said that the only way to forestall such a belief is for the U.S. to make sure that there is no revolution.
- c. A decision to terminate or substantially to modify the present project on the ground that the hand of the U.S. will be too clearly shown must raise a serious question as to whether any operation of this kind can appropriately be included in the cold war strategy of the U.S., at least in the Western Hemisphere, no matter how great the provocation or how favorable the auspices.

II. Possible Courses of Action

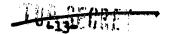
A. Continue the plan in substantially its present form, bending every effort toward the earliest feasible conclusion. Some adjustment of the present target date would probably be necessary in view of the delays thus far encountered in the timetable of scheduled accomplishments and developments. There would, of course, be an understanding that the final phase would not be authorized unless and until the Director had satisfied himself that conditions were favorable for the success of the operation.



- B. Adopt a substantially modified form of the plan, eccentuating the intelligence, propaganda, political action, and defection aspects thereof, and postponing paramilitary action until October or later. This would have to assume that there could be a vigorous and coordinated program of official and overt action and covert operations.
- C. Abandon the present plan and rely upon overt diplomatic action and relatively minor political and psychological warfare activities to overthrow the present regime. What is specifically proposed is to begin with a strong official statement of the United States position toward the present regime in Guatemala, followed by an attempt to secure the support of the Caracas majority at an CAS meeting in September for the application against Guatemala of the sanctions envisaged in the Rio Pact. Essentially this would involve an economic and communications blockade of Guatemala by CAS members or at least by those members willing to support and join in the action.

III. Conclusions

- A. The best chance of removing the Arbenz regime is to proceed as energetically as possible along the lines of the present plan. There is evidence of political and psychological unrest within Guntemals and of growing hostility to the regime. A revolutionary potential exists in the Army. Continued application of planned and integrated pressures should force progressively greater unrest and defection while removal of such pressures will greatly strengthen the opposition and discourage or disaffect allies and potential allies.
- B. It is fair to assume that no irrefutable evidence tying the project to the U.S. Government is in the hands of the enemy. The security of the project is as good as can be expected and fully in keeping with the estimates made and reported on numerous occasions starting with the beginning of the project. Any action against the Arbens regime will be charged against the United States whether or not it has any responsibility for it.
- C. Alternative IIB which would substantially postpone the target date offers few advantages but has numerous disadvantages, among them; possible loss of assets through disaffection or insecurity (time and exposure being in direct ratio); loss of support from other nations, almost surely Honduras which would hesitate to support near its elections, even assuming it still has a stable and friendly government; and Micaraguan support would diminish if it could be counted on at all; disruption of the present defection program, both military and civilian, which is geared to early action; loss of intelligence as a result of the effect of further evidence of inability to act on the part of Calligeris; similar reduction in the effectiveness of propagands; danger of an early, abortive coup by impatient elements; and strengthening of the Arbens team since time is on its side particularly if pressures are relaxed.
- D. Alternative IIC is outside the jurisdiction of CIA but presents difficult questions requiring answers not presently available. Some of these are:



- l. Will evidence of Communist domination in Gustemals be available in such convincing form as to make it difficult, if not impossible, for a latin American politician, not wishing to recognize the fact, to avoid doing set
- 2. How many of the countries that voted for the Caracas resolution would vote in the same fashion, if such vote involved taking actionpagainst Guatemals?
- 3. Assuming an embargo is voted, when will it be possible and will it be effective in denying (a) access to Guatemala of non-Western Hemisphere shipping adequate for its trade, (b) access to imports of Mexican petroleum, (c) access to imports of Argentinan grain and (d) access to European sources of supply for industrial goods? Would such an embargo close European, Asiatic and Soviet bloc markets for Guatemalan coffee?
- 4. Assuming failure before the CAS, will it be possible to undertake any action along the lines presently contemplated or will our hands be tied?
- 5. Is it contemplated that our MATO allies would be asked to recognize that the Guatemalan regime presents a serious military threat and therefore to join in the imposition of economic sanctions?